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UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF PENNSYLVANIA

NORTHLAND INSURANCE COMPANY  
Plaintiff

v.

No. 1:01-CV-763

LINCOLN GENERAL INSURANCE COMPANY,  
J.H.M. ENTERPRISES, INC., and  
VERNICE L. STATTS,  
Defendants

LINCOLN GENERAL INSURANCE COMPANY,  
Third Party Plaintiff

v.

WOOLEVER BROTHERS TRANSPORTATION  
INC.

Third Party Defendant

(JUDGE KANE)

FILED  
HARRISBURG, PA

JUN 04 2002

MARY E. DANBREA, CLERK  
Per MB Deputy Clerk

AFFIDAVIT OF ALBERT N. MILLER

I, Albert N. Miller, hereby state and affirm in accordance with 28 U.S.C §1746, that the statements made in this affidavit are true and correct to the best of my knowledge, information and belief.

1. I am an attorney licensed to practice law in the Commonwealth of Pennsylvania.

2. I was previously employed by Lincoln General Insurance Company.

3. In June, 2001, Michael McGovern, Esquire, left the employ of Lincoln General to pursue other employment. Prior to leaving Lincoln General, Attorney McGovern had reported to Timothy Kirk, the Vice President of Claims. I also reported to Mr. Kirk in 2001. After Attorney McGovern left, Mr. Kirk assigned to me the handling of the claim between Northland and Lincoln General which had previously been handled by Attorney McGovern. Mr. Kirk instructed me to pursue recovery from Northland of all amounts Lincoln General had paid to defend and indemnify J.H.M Enterprises and Vernice Statts in the underlying tort actions.

4. In July, 2001, the law firm of Schindel, Farman & Lipsius was representing Lincoln General in a number of insurance matters that I was responsible for handling. As a result of my review of the file involving the Northland case, I learned that Schindel, Farman & Lipsius was representing Northland against Lincoln General in that matter.

5. On July 11, 2001, I had a telephone conversation with Larry Rabinovich, Esquire, an attorney at Schindel, Farman & Lipsius, about some cases in which he was representing Lincoln General. After I had concluded my business with Attorney Rabinovich, I mentioned to him that I had just received a case where Attorney Lipsius of his office was pursuing a claim against Lincoln General on behalf of Northland. I asked Attorney Rabinovich to transfer me to Attorney Lipsius so that I could discuss the case with him.

6. In my subsequent discussion with Attorney Lipsius, he commented that he thought the case between Northland and Lincoln General had been settled, but he was not really sure. Attorney Lipsius then proceeded to call Traci Slane, the Northland claims adjustor, in order to ask her if the case had been settled. While on the telephone, Ms. Slane read some notes to us, and indicated that Attorney McGovern was to get back to her with approval for a settlement. Ms. Slane did not state that Attorney McGovern had ever gotten back to her and told her he had received approval to settle the case. I told Ms. Slane and Attorney Lipsius that I could see no indication in the file that Attorney McGovern had ever received approval from Mr. Kirk to settle the case and that I did not believe the case was settled and that Lincoln General intended to pursue its claim against Northland. When I made this statement, neither Attorney Lipsius nor Ms. Slane voiced any objection or disagreement with my statement that I did not believe the case was settled and Lincoln General intended to pursue the claim against Northland.

7. At no point in my conversation with Attorney Lipsius on July 11, 2001, or at any other time, did he claim that he was to have dismissed the action Northland filed against Lincoln General because of an alleged settlement.

A handwritten signature in cursive script, appearing to read 'Albert B. Miller', written in black ink.

Albert B. Miller, Esquire

Dated: May 24, 2002

CERTIFICATE OF SERVICE

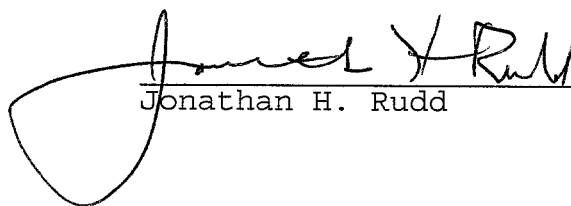
I, Jonathan H. Rudd, Esquire, hereby certify that on this  
4<sup>th</sup> day of June, 2002, a true and correct copy of the foregoing  
document was served as follows:

VIA FEDERAL EXPRESS

Ira S. Lipsius, Esquire  
Schindel, Farman & Lipsius LLP  
225 West 34<sup>th</sup> Street  
New York, NY 10122

VIA FIRST CLASS MAIL

Andrew R. Spiegel, Esquire  
3901-A Main Street, 2<sup>nd</sup> Floor  
Philadelphia, PA 19127

  
Jonathan H. Rudd